

**CDPAC Meeting  
Thursday, June 6, 2002  
State Capitol Building**

**Welcome, Introductions and Committee Business**

Committee Chair Ms. Malaske-Samu called the meeting to order and spoke about how interesting this summer will be for those interested in children and families. This year's budget is going to be critical for the State. The Committee needs to start planning for this budget immediately. We need to work diligently to find a good solution for funding Stage 3 child care next year. She wished everyone a happy summer and asked them to keep working at a fevered pitch through this budget session.

The Committee members, staff and audience introduced themselves.

Ms. Malaske-Samu asked for announcements and public input. Kay Ryan introduced Ms. Noni Ramos, the new National Child Care Director at the Low Income Housing Fund.

The May 2002 minutes were unanimously approved as drafted.

**Executive Director's Report**

Ms. Ryan reviewed the agenda, which includes presentations by Jean Ross from the California Budget Project, a panel representing County Welfare Departments and Bob Garcia from the Administration for Children and Families. The information they present about Federal initiatives and Bush Administration priorities, the State's budget situation and the significant changes counties may be facing regarding services to children and families will be both timely and relevant for all of us. She thanked the presenters for being here today and thanked Wendy Russell and Frank Mecca from the County Welfare Directors' Association for help in developing this afternoon's panel.

Ms. Ryan reported that the Governor's child care reform proposal is off the table for the time being and both the Assembly and the Senate budget committees took action to restore sufficient funds and staff to enable the Committee to continue operations through SFY 02-03. If the budget is enacted as recommended by the Legislative budget committees, CDPAC's General Fund amount for SFY 02-03 will be \$360,000. This is about \$135,000 more than the ½ year amount proposed in January and 28 percent less than the current year budget but it will enable CDPAC to continue and hopefully to assist in the reform of the State-subsidized child care system. However, it won't be over until it's over. The Governor still retains the right to use his blue pencil to make changes in whatever budget the Legislature presents to him.

It's a tough time of year to look at the big picture. Things are moving quickly and we tend toward hyper-vigilance in guarding and protecting our own turf. However, with new major policy initiatives at the federal level and major changes in resources available at the State and local level, the big picture, albeit grim, is important for all of us to understand.

One of the important things going on now is the Master Plan for Education. We've had presentations about it at earlier meetings and will have a more in-depth discussion about the School Readiness

component at a later meeting when Judy Stuki and Karen Hill Scott can both be with us. Today, Judy will provide information about the input process that is currently underway and share the questions people will be asked to respond to regarding the School Readiness component.

On the day following our last meeting, CDPAC and the Sacramento County Local Child Care and Development Planning Council co-sponsored a workshop on **Engaging Business Leaders in Developing a System of Early Learning** based on Dr. Abby Thorman's work in the greater Kansas City area. Approximately 50 people attended, including representatives from Local Planning Councils, Regional Resource Centers, LINCC projects and others. It was inspiring to hear how lessons learned from the Military Child Care model Abby described at our last meeting are being applied to develop a "nationally unsurpassed early learning system," and the public support to make it happen is being generated. We will keep in close touch with Dr. Thorman. The Kansas City model has much to offer California.

Ms. Ryan also described a Transfer of Knowledge symposium CDPAC is working on for the fall. The event will bring together Local Leadership Teams to focus on child care for children with disabilities and special needs. Sharon Rea Zone is CDPAC lead staff and partners include the Interagency Coordinating Council, Department of Developmental Services, Department of Social Services, WestEd, California Department of Education, Local Planning Councils, Family Resource Centers the Early Intervention community and many others. The day will offer Local Leadership Teams an opportunity to experience the challenges and opportunities that exist in each other's systems. It will build on work that has been done by others, emphasize the mutual benefits of collaborating, and it will be fun. At the end of the day, teams will develop individual and unique action plans to: increase collaboration among local entities; better identify the child care needs of children with disabilities; create additional child care options; and, strengthen the capacity of the child care community to deliver appropriate, inclusive, high-quality child care services to families of children with disabilities. We appreciate that Marie Poulsen, DDS and CDE are partnering with us on this project and welcome additional volunteers.

The Action Alliance for Children has funding to make copies of their newspaper, The Children's Advocate available – for free – to certain organizations, including CDPAC. Others who are interested in receiving the newsletter can contact the Outreach Associate at Action Alliance for details - contact information is in the packets. Thanks to Marie for making this connection for us.

Ms. Ryan asked for authorization from the Committee to sign contracts and interagency agreements on behalf of CDPAC until the Committee's next meeting in September. The Committee unanimously approved the request.

### **Profile of the After School State Grant Initiative (Schwarzenegger)**

*Paul Miner, Policy/Research Director, Sponsor*

Brian Lee, California Policy Director of Fight Crime Invest in Kids is unable to participate in the presentation today because of a child care issue. Paul Miner said that Mr. Lee was going to talk about existing after school programs and he was to talk about the public policy ramifications of the initiative on the November ballot. He said he would try to cover both.

The existing program is called the Before and After School Learning and Safe Neighborhood Partnership Program. It was sponsored by then-Senator Bill Lockyer and signed by Governor Wilson in 1998. It is funded this year at about \$117 million. All elementary and middle schools are eligible to apply for this money, but priority is given to schools that meet the definition of a low income school, where 50 percent or more students are eligible for the federal free and reduced-price lunch program. Most of the funds, about 95 percent, go to these low-income schools. More schools apply than there are funds available. Many of the schools with programs have long waiting lists. There is a huge need for more funding. An obstacle for increasing funding is the newness of the program.

There are many benefits to after school programs. Numerous studies done by several University of California schools, UCLA, and other nationally known universities indicate that children participating in after school programs have a higher literacy rate, do better in school, and care more about school, they attend school more and stay in school longer. Truancy rates and grade repetition rates drop while rates of college enrollment increase.

Arnold Schwarzenegger has had a long-term interest in children and after school programs. He asked planners to keep four things in mind in developing this initiative. Don't create a new program if the present one is working and only needs more money or some "tweaking." Don't take money from existing programs - fund the program with new revenues. Make sure that every public elementary and junior high school that chooses to have a program has money available to them. Don't increase taxes - all money should come from incremental growth and non-Prop 98 General Fund money.

The current law, established in 1998, provides literacy and academic support and safe, constructive alternatives for students in kindergarten through ninth grade. It provides \$5 per day per student with a 50 percent local match. About 1,000 schools and 100,000 students receive services, mostly inner-city and low income. It is the only statewide program of its kind in the nation.

Why is after school important? Federal Department of Justice statistics show that the after school hours before parents return home from work is the peak time for commission and being the victim of violent juvenile crime, teen pregnancy, and drug and alcohol use. Society bears the costs for these crimes. Fifty percent of children come from families where both parents work or where a single parent works at least 30 hours a week.

The After School Education and Safety Program Act has three main sections. (1) It "grandfathers" existing programs. They work fine and should be left alone. This is about \$117 million. (2) It provides universal grants of up to \$50,000 for every elementary school in the state, and up to \$75,000 for every middle and junior high school in the state. If every school applied for the maximum amount it would come out to about \$296 million. (3) The remaining funds of about \$134 million, ideally, would go to a third pot that would go back into the existing program. It can raise the grant for larger schools to up to \$150,000 or \$200,000. It can also be used for the poorer schools and for programs during inter-session and holiday periods. Some schools, perhaps those in affluent areas with other types of programs for students, may not want or need this program. The initiative tries to get at the heart of the problem, which is those children who are unsupervised and in need of academic support. The total funding will be \$550,000 million.

Mr. Schwarzenegger asked two former Directors of Finance, Russ Gould and Tom Hayes, to look at the numbers in a way that would protect taxpayers, to develop triggers to assure that money would not come from existing programs, and to be sure that money would be available for all schools that want to participate. Funding would not begin until FY 2004-05 at the earliest and then only if non-Prop 98 General Fund appropriations grow by \$1.5 billion over their historic levels. The next \$434 million goes to the after school program and remains there.

Fight Crime Invest in Kids and the Mott Foundation did a survey on after school programs last fall. Overwhelmingly, people support after school programs. Seventy-four percent of respondents said they are inclined to vote yes for the initiative, 50 percent said they were strongly inclined. Eighty-four percent of Californians believe there should be some type of organized place or activity for children to go to after school every day that provides opportunities for them to learn.

Official endorsements are still being gathered. Mr. Miner listed many of these. It is a well-rounded bipartisan group of individuals and organizations.

### **Qs & As**

**Q.** Will it include the off track schools?

**A.** It can. Funding for these is in the third pot of money.

**Q.** Please explain more about the funding and how economic downturns may affect it. There is concern that this initiative could impact other social service programs by tying up funds for this program.

**A.** It is based on funding beginning in FY 2004-05 and looks at the non-Prop 98 General Fund portion of the budget, the General Fund minus Prop 98. It looks at what has been the highest year in the last four years, then adds \$1.5 billion on top of that figure. For example, the current FY non-Prop 98 General Fund budget before cuts was about \$47 billion. For the initiative to have been funded even one additional dollar in the next FY, there would have to have been \$48.5 billion in the non-Prop 98 General Fund budget. Then the next \$134 million would go for the actual program and every dollar spent would become part of the Prop 98 base. The \$1.5 billion is meant to ensure that money is not taken from other programs, and that funding would be from the amount that is “up for grabs.” Never, since Prop 98 was passed, have we had to pull one of the Prop 98 cut triggers. It would take a historic cut in Prop 98 for the After School Programs to get cut. The way the initiative is worded, whatever percentage cut may be made to Prop 98, the After School Program would take at an equal percentage cut. It’s true that the initiative could theoretically impact funding for other programs. The Legislative Analyst’s Office (LAO) estimated that the \$1.5 billion trigger in the initiative is \$1 – 1.3 billion too low to cover cost-of-living and caseload increases. Our fiscal experts think otherwise.

**Q.** Is there a mandate in the initiative requiring accommodations for children with disabilities and health care needs?

**A.** No, we tried to stick as close to the existing program and laws as possible. The amount of money, once it is funded, cannot be changed without a vote of the people. Modifications to the program, however, can be done by the Legislature on urging from the constituency.

- Q.** Can programs be offered in the community or must the program be on the school site?
- A.** At present, it can be run by a community-based organization but it has to be on the school site. The initiative changes that and allows offsite community based-organizations to offer these programs as long as safe transportation is provided.
- Q.** Can the funding be used for transportation?
- A.** I don't know why not.
- Q.** Is there a provision for facilities acquisition or development? From a policy level, we need to begin to insert the need for quality facilities into initiatives.
- A.** I don't know how that would work within the \$5 per student per day allowance. That's why schools and existing facilities are used. Facilities might be provided by the private sector.
- Q.** Who will run the programs?
- A.** The overwhelming majority will be run by school districts.
- Q.** Will there be uniformity among the programs? Will there be supervision in order to maintain quality?
- A.** The California Department of Education (CDE) sets guidelines and regulations for after school programs. These allow for local innovation and creativity. Apart from those regulations and some content requirements, there is no uniformity. The initiative sets aside 1.5 percent of the monies to fund oversight by CDE. This is not in current legislation.
- Q.** Will there be an evaluation component?
- A.** There will be a required annual report to cover what occurred during the year whether test scores have gone up, etc. Each program will be reviewed at the end of the grant period.
- Q.** \$5 per student per day isn't much money. Who will be the teachers for these programs?
- A.** There are no strict guidelines. We expect many programs will have agreements with local university students.
- Q.** Is the initiative crafted to mirror the existing after school program?
- A.** It is based on the existing program but does make some amendments. The universal grant will be the biggest portion of the funding, but the third part of the money, the \$134,000 million will, among other things, fund the before school portions of the programs.
- Comment:** The 21<sup>st</sup> Century funds are being passed through the state. This might allow after school programs to continue.
- Response:** The 21<sup>st</sup> Century funds are being used for match.
- Q.** Is funding going to continue for latch key programs?
- A.** The Proposed Budget eliminated funding for these programs. There has been no movement toward reinstating those funds.

Ms. Malaske-Samu applauded the effort to build the initiative on the current after school program. However, she suggested the planners look at adding provisions for children with special needs. These

children could benefit as well as their families. Marie Poulsen seconded that suggestion and asked Mr. Miner to take the message to Mr. Schwarzenegger that leadership on this issue is expected.

**ACF Priorities for 2002: Good Start, Grow Smart, Early Literacy and Other Initiatives of the Administration for Children and Families**

*Bob Garcia, Administration for Children and Families (ACF), Regional Office, San Francisco*

Ms. Malaske-Samu introduced Bob Garcia who will speak on what the Federal Government is doing regarding child care and development. Mr. Garcia described his background and outlined what he will cover in his report. He invited questions during the presentation. He outlined ACF's key priorities for FY 2002 and beyond. He said they are not new ideas but are important enough to have become priorities of the Administration. He emphasized that helping fathers become responsible, committed and involved and helping couples develop the skills and knowledge to form and sustain healthy marriages are important and must be worked on for the betterment of the child.

**Q.** What kinds of resources are being given for healthy marriages?

**A.** For example, in Modesto, California, there is a faith-based organization that offers a therapy type program for couples.

**Q.** Are any programs for prevention of pregnancy being offered?

**A.** Not to his knowledge.

Another priority is removing barriers to full participation of faith-based and other community services in the delivery of social services. The administration worked on welfare reform based on a two-parent family. He said attempts to change the wording from "healthy marriage" to "healthy family" because not all couples are married, were deemed inappropriate because "healthy marriages" are the goal. ACF is now trying to define. Some of the priorities are challenging to implement due to the various situations of families. Dedicating resources to prevent the need for intervention services is another priority that is challenging in terms of implementation and evaluation.

The Administration hopes to unify the working relationship of the many departments within the federal government so that answers to questions from the public can be given directly rather than transferring callers to another department.

**Q.** What work is being done for children with disabilities?

**A.** There is quite a difference between the state and federal policies and regulations. This is an issue they really want to work to resolve.

Other priorities include promoting ongoing relationships between youth and adult role models, improving the school readiness skills of young children, strengthening rural families and communities, and expanding welfare reform to meet all four goals of the original legislation.

Mr. Garcia described the Good Start, Grow Smart (GSGS) program—the Bush Administration's Early Childhood Initiative, which is intended to ensure that young children are equipped with the skills they will need to start school ready to learn. It addresses three major areas: strengthening Head Start, partnering with states to improve early childhood education, and providing information about early

childhood education to teachers, caregivers and parents. Then he spoke about how the Child Care Bureau will address the administration's priorities and GSGS.

ACF recently held a conference for the Pacific Coast states in Regions IX and X. The conference focused on how the federal and state departments that deal with child care could work together rather than separately. He reviewed many of the areas on which they wish to focus. He spoke about federal and state guidelines, standards and regulations in early childhood education and how the different departments are working together to identify and address problem areas. There is an effort to improve joint collaboration between Head Start and federal and state agencies and to have counterparts meet to find out what they can offer each other. ACF will be working closely with state staff and people from the field to determine the need for regulatory and other changes, and to find out what is working and not working. He invited persons from the field to provide input on their website at [www.acf.dhhs.gov](http://www.acf.dhhs.gov). The federal child care bureau will develop a fast track problem resolution procedure so that issues identified in the field or at the state level can be brought to the child care bureau quickly. Responses will be posted on the website. There will be a section for GSGS frequently asked questions.

A GSGS collaboration body will be established in Washington, D.C. and will meet bi-weekly. It will include officials from the Department of Education, Head Start, Child Care, and other federal agencies. Its charge is to assure maximum deployment of federal resources with a minimum of unnecessary overlap and duplication.

- Q.** Will there be expectations on the part of the federal government under GSGS that literacy types of activities will take place that may not now be required, for example, in in-home or exempt programs?
- A.** New provisions may be required in the Child Care Developmental Fund (CCDF) state plan that is submitted to us. It looks like we will ask states to develop quality criteria for early childhood education including voluntary early learning guidelines on literacy, language and pre-reading skill activities. The states will tell us what they are going to be doing and how they are going to do it.
- Q.** Where does the administration stand on providing additional funding for child care as they look at the reauthorization of TANF which, essentially, increases work requirements?
- A.** The various TANF proposals increase work participation from 32 to 40 hours per week. Historically, the administration has said that there is so much money in TANF and in child care that there is no need to increase funding. Not formally yet, but privately, they are beginning to back away from that position. At the regional level, we realize there is not enough money to cover the increased need for child care. There are three proposals in Congress right now, the administration's proposal saying there is no need for additional funding, the Republican House proposal allowing for a modest increase in funding, and two bills in the Senate saying there needs to be an increase in child care funding.

Nancy Strohl told everyone that the website at <http://www.childcarelaw.org> has a link to the Children's Defense Fund website, which helps people understand the federal proposals and who to contact to express concerns about them.

**Q.** Is it possible for child care givers to receive compensation for improving the quality of child care?

**A.** Yes. Increased compensation including professional development has always been recognized as a viable quality improvement activity in Child Care Development Fund (CCDF). There has been discussion of setting aside money specifically for compensating quality care, but that hasn't happened.

### **May Revision of the Governor's 2002-03 Budget**

*David Carroll, California Budget Project*

Ms. Malaske-Samu complemented the Budget Project for helping CDPAC understand the complex state budget and budget process. Mr. Carroll said the state budget deficit increased from \$12.5 billion at the time the Governor released his Proposed Budget in January to nearly double that amount, \$23.6 billion, at the time of the May Revise. Added to the Governor's initial budget cut proposals, the May Revise had additional proposed solutions to bridge the budget gap in the coming year.

He highlighted the present situation and what is happening in the Legislature regarding the budget. Most of the new proposed solutions to help bridge the gap involve program reductions that affect low income and other vulnerable families. Over half, 57.3 percent, of the new program reductions proposed in May fall on these families. Most of the reductions proposed in January and in May are in the health and social services arena. A large part of this was an \$800 million cut to counties to administer MediCal and social service programs.

Why is the deficit amount in May nearly double what it was in January? Primarily, the revenue problem of January just got worse. The basic problem is the continued decline in personal income taxes as a result of declines in profits from investments, and stock options and reductions in capital gains. This accounts for about \$9.5 billion of the increased deficit. There is an addition \$1.6 billion that was not anticipated in January but is estimated now. This is mainly because the Prop 98 guarantee level is higher than expected.

Other proposed solutions to bridge the gap include:

- Counting on additional dollars from securitizing the Tobacco Settlement Fund. Basically, this borrows money from the future. This accounts for \$2.1 billion.
- Deferring a lot of disbursements for Prop 98 programs from the current year to the budget year. This saves about \$1.1 billion.
- Restructuring the debt by finding better terms. This saves about \$1 billion.
- Increasing revenues through tax increases to save between \$3-4 billion. One would be a temporary increase in the vehicle license fee, rolling back the decreases to 25 percent below what they were in 1998. This would correspond to about an \$87 increase for the average car owner. Another would be a business deduction that would bring in about \$1.2 billion. Also, there would be a cigarette tax increase of 50 cents per pack that would bring about a half a billion dollars.

Some of the new proposed programmatic reductions include the following:

- Health programs took the brunt of the May reductions and could result in 400,000 or more people losing health coverage, mainly because of changes to MediCal. One proposal is to roll back one MediCal component, the 1931B Program, so that families would not be eligible unless their income



is 67 percent or more below the federal poverty level. The current level is 100 percent. Another proposal is to require adults on MediCal to file quarterly status reports, rather than annual reports, to maintain coverage. The Governor did restore funding to the Child Health and Disability Prevention program (CHDP).

- The May reductions included additional social services cuts. The Governor proposes to not pass on the federal Cost of Living Adjustment (COLA) to Supplemental Security Income (SSI) recipients.
- The Governor decided not to continue his Child Care Reform Proposal—but continues to be interested in serving more families, so we should expect other proposals in the future.

The Assembly and Senate acted quickly to put together a budget and, while they approved the majority of proposals in the May Revision, they restored many of the proposed reductions in health and social service programs. At the very least, a \$1 billion hole remains to be filled, either through program cuts or revenue increases. Although the Governor hopes to increase revenue through tax increases, the Conference Committee has left negotiations open on these items. No one knows when the Conference Committee, then the two houses, will finish with the budget and place it on the Governor's desk. There is considerable pressure on the Legislature to pass the budget on time because of state cash flow problems.

**Q.** What were the cuts to mental health services?

**A.** The Governor proposes to eliminate the Adult and Children's Systems of Care mental health programs, a cut of \$42.6 million. The Assembly rejected this outright, and the Senate is trying to find some money for it. The Governor also proposed a \$10 million cut to the Integrated Service for Homeless Adults Program, also a mental health program.

**Q.** Can the money saved from withholding the federal SSI COLA be used for other than SSI?

**A.** There is a federal and a state component to the money going to SSI recipients. The state will pass the federal COLA on to recipients but withhold that amount from the state portion of their payment, so, in effect, their payment will remain the same. The state can do that because we currently pay well over the minimum requirement to these recipients.

**Q.** Won't the change from annual status reports by MediCal recipients to quarterly reports result in additional administrative costs?

**A.** There will be some increase. The state has the numbers for this based on past experience. The savings due to people losing their coverage more than offsets the administrative costs for the increased numbers of reports.

**Q.** What is the status of COLAs for child care and foster care?

**A.** It went down from 2.15 to 1.66 percent for categoricals in K-12. The Senate has just moved the COLA back up to 2 percent. So it should be either 1.66 or 2 percent. There was no foster care COLA proposed in the January budget. CalWORKs COLAs are statutory while foster care COLAs are discretionary.

## **Budget Implications for Children, Families and Communities**

*Sarah Mercer*, Mexican American Legal Defense and Educational Fund (MALDEF)

*Pam Chueh*, Legislative Consultant, Los Angeles County Department of Social Services

*Greg Varley*, Planner/Analyst/Child Care Coordinator, Sonoma County Human Services Department

*Cheryl Davis*, Director of Sacramento County Department of Human Assistance

*Sarah Mercer* focused her presentation on the proposed cuts in health care services. Her organization recently published an analysis of how the Governor's Budget would affect the Latino community. A large portion of the Latino community is low income and will be impacted by the proposed cuts. The median wage of Latinos is \$14,500 compared to the median wage of Caucasians, which is \$27,000. About 30 percent of Latino children are uninsured for health care and 41 percent of non-elderly Latino adults (under 65) are uninsured. She said that many families might drop out of MediCal because of the increase in the reporting requirements. The 1931B program provides health care services for two-parent families. The reduction in this program will particularly affect Latino families because they tend to be two-parent families. Latinos face cultural and linguistic barriers to health care. Outreach frequently either is not in their language or does not address their cultural issues. Her organization and others in the last few years have addressed how to contact Latino families and bring them into the system. The Governor has proposed to eliminate media outreach funding and contracts with community based organizations that provide the message to the community. The administrative cuts to the counties will eliminate eligibility worker positions, the people who help families walk through the administrative processes for enrolling in programs, thereby decreasing their chance of receiving assistance. In the May Revision, the Governor proposed to eliminate "optional benefits." These are medically necessary benefits such as dental coverage, psychiatric, chiropractic, rehabilitation therapy, and medical supplies. Dental cleanings and exams will be limited to one visit per year for children. He also proposed reducing reimbursement rates to all MediCal providers, which will reduce the number of doctors who will accept MediCal patients. These cuts will affect the economy, partly because we won't have healthy workers. These cuts will affect all the children your programs serve, and in particular, the Latino population. With the passage of Prop 209, the enrollment of minority students in higher education dropped significantly. A way of dealing with this was to form partnerships between high schools and universities and to do more outreach to students regarding enrollment requirements. Many of these programs have also been significantly cut, which will impact Latino and other minority students. The cuts to financial aid programs also will affect minority enrollments in higher education. MALDEF and others are urging the Governor to take a balanced approach to resolving the budget crisis by increasing taxes, particularly in the upper income brackets. The website for MALDEF is <http://www.maldef.org>.

*Pam Chueh* echoed much of what was said by Mr. Carroll and Ms. Mercer. The cuts in county administrative costs translate to cuts in staff, which will result in cuts in health and social services. The impacts will include delayed health care, increased use of emergency rooms, reduced access to MediCal and Food Stamps, delays in eligibility determinations for applicants, and reduced collection of child support. Other impacts include decreased ability to prevent and detect fraud and an increase in appeals and fair hearings. She said the counties are very appreciative that the Legislature understands that the proposed reductions would lead to reduction in services to low income and minority families and has rejected many of them.

*Greg Varley* said his comments would address the cuts proposed in January as Sonoma County has not yet analyzed the impact of the May proposals. This is a county budget as well as a state budget issue. County budgets are made up of mostly federal and state funds, so they must make significantly deeper cuts to save the same amount of county dollars. For example, maintaining social worker staffing for Child Protective Services impacts staffing for the Adult Protective Services because, in their Department, that division has the greatest proportion of funding from county dollars. Because these are the county's two priority areas for staffing, staff cuts will have to be made in other areas such as MediCal and Food Stamps. He said that CalWORKS would probably be least affected by the budget proposals. The loss of staff results in less service given to the community. One thing that gets lost in budget discussions is that counties contract out for many services. This year they are having to cut and reduce contracts, some of which are for child care related services such as resource and referral, training, and capacity building. In turn, this causes the organizations they support to be in a budget crisis of their own.

*Cheryl Davis* expressed her appreciation for the partnership that Sacramento County has with CDPAC. She focused on what the cuts mean for families. There is a 20 percent cut in administration for MediCal, Foster Care, and Food Stamps, and a 14.8 percent cut in CalWORKs. These are not cuts in administrative bureaucracies. These are cuts in direct line staff, which will affect families in three ways. One, they mean decreased access to services. Families can no longer access services at the 42 outreach sites in their communities or neighborhoods but will have to come to a central office where all staff will be housed. It means the county must break partnerships with schools and community based organizations. Two, it means a delay in services. At present, they can process applications for MediCal and Food Stamps timely. Under the proposal, it will take six to eight weeks to process an application for MediCal and four to six weeks to process an application for Food Stamps. Third, staff will make administrative errors, which will result in federal penalties to the state. In Sacramento, it takes a wage of about \$17 an hour for a family with one parent and two children to make ends meet. They have been successful in moving families into the workforce but have not been successful in getting them to the point where they can make ends meet. The average wage of their families is \$8.43 an hour. Sixty-two percent of the jobs available in Sacramento County pay \$12 or less an hour. So the families they have moved into the workforce still need MediCal, Food Stamps, and child care assistance and the county needs to be sure they sign up for low income energy assistance and earned income credit. In effect, the administrative and programmatic cuts will undermine the ability of families to work and support their families. This is poor public policy. She, too, noted their appreciation of the leadership in the Legislature and their work to keep the impacts of the deficit from falling on the neediest families and on the families who struggle the best they can to make it.

Ms. Malaske-Samu thanked the panel for making the impact of the budget proposals more real. Joyce De Witt thanked the panel for being straightforward and helping everyone see the real picture. It is contradictory that we are trying to help families while pulling the services they so desperately need out from under them. Lyn Vice also thanked the panel for their presentations. Mary Emmons asked what else advocates can do in the current environment. Ms. Chueh said they and advocates in Los Angeles County have been calling consistently to the Legislature and Governor's Office to ensure that the messages are being heard and encouraged others to do this. Ms. Davis said that in Sacramento County they are reaching out to businesses and chambers and explaining how the proposed cuts will impact their employees. Sometimes Legislators will listen more to business people than to advocates. Ms. Emmons

asked if it is possible for CDPAC to develop an issue brief and distribute it. Ms. Ryan said CDPAC would get something out right away.

Ms. Malaske-Samu asked Mr. Carroll when the state budget outlook might improve. He said the picture does not look good. We need to develop a holistic approach and think about how to bring revenues and expenditures more in-sync. Increasingly, discussions will have to focus on increased revenues. The LAO's office projected that the ongoing difference between revenues and expenditures will continue for five or six years and be in the range of \$7 or \$8 billion a year. Many actions proposed by the Governor in May make things better for the coming year but would make them worse in later years.

Ms. Malaske-Samu noted the importance of maintaining contact with Legislators and having them hear our willingness to support increasing taxes because we cannot do this without increasing revenue. Ms. Ryan thanked the panel for putting a face on the picture for us, and thanked Ms. Davis for her suggestion that we contact our Legislators to tell them we are willing to pay increased vehicle license fees.

## **State Reports**

*Michael Jett*, California Department of Education, Child Development Division

Mr. Jett said that some of the pain being felt in the counties is also being felt by the state. There has been a five percent across-the-board reduction in state staff. The good budget news is that general child care funds have been restored. The Alternative Payment (AP) programs were restored to their current funding level. The Latch Key Program also was restored. There will probably be budget language requiring CDE, CDSS and the Department of Finance to develop new Regional Market Rate methodology. There is a requirement for CDE to re-survey their agencies to look at issues raised during restructuring. CDSS will analyze the survey data. There is money in the budget for legislation to address potential fraud issues in CalWORKs and general AP programs. A Management Bulletin is out for \$28.4 million in playground safety compliance. Programs have until June 21 to get a Letter of Intent to CDE. An allocation formula will be developed once the demand is identified. There have been requests from the nine counties with unmet needs for \$14.5 million of the \$14.8 million left over after funding state preschools.

*Lyn Vice*, California Department of Social Services, Welfare to Work Division

Ms. Vice emphasized that Stage 1, Stage 2 and Stage 3 are all fully funded. The budget does reflect a reduced level of funding, but this is due to caseload decline. They are working with accounting people to try to understand the reasons for the decline. It is possible the children are still in child care that is funded by another source, for example, Head Start. There is a reserve of more than \$100 million for Stages 1 and 2 child care. There is \$9.8 million in one-time federal funds to spend over a three-year period to provide outreach and training and incentives to license-exempt providers.

Ms. Malaske-Samu requested that the Committee be involved in the development of the Regional Market Rate methodology.

*Melissa Miller*, California Department of Social Services, Community Care Licensing (CCL) Division

Ms. Miller introduced herself. She is the new Statewide Program Administrator for CCL. Under the reorganization of CCL, child care licensing is now a statewide program. The Northern Assistant Administrator is Bill Jordan and the Southern Assistant Administrator is Keiko Moore. The latest development regarding the requirement to inform parents when someone with a criminal record works at a child care center was a May 10 letter from CDSS to all providers clarifying that CDSS is not yet enforcing requirements around this issue. Providers will not have to provide this information to parents until CDSS has emergency regulations in place. There were two public forums in May, one in Los Angeles and one in Sacramento, seeking feedback from the community on how best to deal with this issue. CDSS will go back to these groups to get their feedback on the draft emergency regulations. Senator Dunn's bill, SB 1335, addresses some of these same issues and could affect the regulations. Effective July 1, CDSS will implement a new requirement for family child care incident reporting requirements. It requires family child care home providers to notify the Department if there is a death, serious incident or absence of a child that seriously threatens the child's health and safety. The report must be made by close of business the next day and followed by a written report. A letter will go to providers around the end of June with information about the requirement, with instructions and a report form. Pending passage of the budget, CCL will be required to make tri-annual (once every three years) visits to school age child care programs, rather than annual visits, as currently required.

*Cheri Schoenborn*, Department of Developmental Services (DDS)

A recent survey conducted by DDS showed that families who are receiving services in the Early Start Program are very, very satisfied. The report is available on the DDS website, [www.dds.ca.gov](http://www.dds.ca.gov). A hard copy is available at a phone number listed on the website. The report analyzes results by age, ethnicity and Regional Centers.

There was a State Interagency Coordinating Council (ICC) meeting last week. The purpose of this group is to advise DDS about issues and policies regarding the Early Start Program. One issue identified at the meeting is the need to compare the number of children served in Early Start to the general population. Information from the field indicates the numbers served should be higher. Outreach efforts may need to be increased.

The incidence and prevalence of autism has increased 250-400 percent in the last ten years. DDS is closely following a budget proposal that would provide an additional \$17 million to address this. Last year's budget required DDS to provide training to Regional Centers about the evaluation and assessment of autism. The training will begin this summer.

*Judy Stucki*, California Children and Families Commission

Ms. Stucki spoke about the Joint Committee to Develop a Master Plan for Education. Meeting and hearing schedule information and information about local town hall meetings is available on the Joint Committee's website. A concurrent resolution has been drafted to extend the Joint Committee to November 2004, to add a paragraph on early child development and education opportunities, and to drop "Kindergarten through University" from the name. An education dialog will take place online this week and next week. She encouraged people to participate. There is a schedule of workgroup discussions.

The School Readiness discussion will be on Monday, June 10. If there are pieces missing in the Early Education portion of the Master Plan, this is a chance to make those known. The website is [www.sen.ca.gov/masterplan](http://www.sen.ca.gov/masterplan) . Go there and click on Online Dialog. You can register to participate in the dialog or just observe the dialog that takes place. The draft Master Plan is online and is being updated as the Joint Committee receives testimony. They still hope to have a final draft ready in August.

Ms. Malaske-Samu encouraged everyone to go online and participate.

Ms. Ryan said that she may ask for an Executive Committee meeting before the September meeting to discuss the budget issues. She reminded everyone that the CDPAC website will be kept current over the summer and staff will be available online or by phone. She thanked everyone for attending the meeting.

## ATTENDEES AT JUNE 6, 2002 CDPAC MEETING

### Committee Members:

Kathleen Malaske-Samu, Chairperson  
Bonnie Parks, Employment Development Dept.  
Earl Peterson, Child Care Consultant  
Marie Kanne Poulsen, USC Childrens Hospital  
Dianne Philibosian, Public Member  
Lynn Lucas, El Dorado County Supt. Of Schools  
Mary Emmons, Children's Institute International

Lyn Vice, CA Dept. of Social Services  
Melissa Miller, CA. Dept. of Social Service  
Amy Tan, Sacramento City College USD  
Eleanor Moulton, EduCare  
Cheri Schoenborn, Dept. of Developmental Services  
Joyce De Witt, Public Member  
Michael Jett, CDE/CDD

### Participants:

Marilyn Rotnem, Merced County LPC  
Dee Cuney, Private Child Care Network  
Lara Lolin, CIHS-SSU  
Leilani DelosReyes, PACE/APP  
Vera Nicholas, CA State Library  
Julia Duncan, CA National Organization of Women  
Nicole Lawrence, Yolo Co. Children & Families Com.  
Mei Kwong, Children's Home Society of California  
Jennifer Martin-Lopez, WestEd  
Kim Kruckel, Bananas  
Kim Johnson, Solano County LPC  
Donita Stromgren, Child Care R & R Network  
Francine Nunes, Placer Co. Child Care Advisory Council  
Dionne Hayden, Natl. Economic Developmt & Law Ctr.  
Sarah Mercer, MALDEF  
Cheryl Davis, Sacramento Co. Dept of Human Assistance  
Greg Varley, Sonoma County Human Service Dept.  
Paul Miner, Policy/Research Director, Sponsor  
Noni Ramos, Child Care Facilities Fund of Low Income Housing Fund

Carol Roberts, Valley Oak Children's Services  
Bob Garcia, HHS/ACF  
Linda Brault, Beginning Together, CIHS-SSU  
Susanne Milton, El Dorado CO  
Cecelia Fisher-Dahms, CDE-CDD  
Linda Parfitt, CDE-CDD  
Kathi Walker, El Dorado LPC  
Ed Condon, CA Head Start Assn.  
Kathi Linquist, CCCOE/LPC Contra Costa  
Dolores Gomez, CCOE Children's Services  
Nancy Strohl, CCLC  
Linda Wherry, Travis AFB Child Developmt Ctr.  
April Befumo, Stanislaus County LPC  
Tony Anderson, SCDD  
Billee Willson, Sacramento County DHA  
Pam Chueh, LA Co. Dept. of Social Services  
Wendy Russell, County Welfare Director's Assn.

### Staff:

Kay Ryan, Executive Director  
Sharon Rea Zone, Analyst  
Priscilla Jong

Sharron Goldstein, Analyst  
Leslie Witten-Rood, Analyst  
Alex Castillon